BRITISH COLUMBIA

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tel (250) 387-0327
fax (250) 387-0329

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highlights

a weekly digest of recently released British Columbia statistics

The Economy

- **The number of British Columbians receiving regular employment insurance (EI) benefits grew 2.2% (seasonally adjusted) between August and September, rising to 66,880.** The number of regular EI recipients fell 0.8% nationally, to 553,330. Among the regions, Newfoundland and Labrador (+5.3%, to 36,680) had the most growth, followed by Yukon (+4.3%). The national decline was largely due to a 3.0% decrease in the number of beneficiaries in Quebec. Saskatchewan (-7.6%) saw the largest proportional change in September.
  Source: Statistics Canada

- **Department store sales in British Columbia, Yukon, Northwest Territories and Nunavut fell 0.9% (seasonally adjusted) between September and October.** National sales decreased by 3.2%. Newfoundland and PEI (+1.5%) was the only region with an increase in October. Sales in Ontario (-6.9%), and New Brunswick (-3.4%) receded the most.
  Source: Statistics Canada

Agriculture

- **In the third quarter of 2002, farm cash receipts in British Columbia fell 1.6% compared to the same quarter of last year.** Total crop receipts were unchanged. Receipts from sales of floriculture and nursery products were up 4.9%, and producers of potatoes (+14.0%) and strawberries (+24.4%) earned substantially more than in the third quarter of 2001. However, both vegetable (-3.7%) and tree fruit receipts (-10.7%) were down. Total livestock receipts declined 0.7% from the same quarter of last year. Producers of cattle (+15.7%), poultry (+1.3%), and eggs (+5.3%) fared relatively well, but dairy sales fell (-1.3%) and other livestock sales were down 22.4%.

  Canada-wide, farm cash receipts fell 3.7%. Prince Edward Island (-9.9%) had the largest decline in receipts since the same quarter of last year. Saskatchewan (-8.9%) and Alberta (-6.0%) also had large declines. Manitoba (+6.2%) was the only province that had higher sales than in the third quarter of 2001. The financial outcome that may result from extreme weather conditions in the prairies during the 2002 growing season is just starting to be reflected in the cash receipt data.
  Source: Statistics Canada

Prices

- **For the sixth consecutive month, BC softwood lumber prices fell (-1.3%) in October compared to the same month of 2001.** This was a result of lower prices in the interior (-4.9%) more than offsetting higher prices in the coastal regions (+5.8%) of the province. The price of BC pulpwood chips was down (-3.2%) relative to October 2001. Nationally, manufacturers' prices rose 2.4% overall, mostly due to year-over-year increases in the prices of petroleum and coal products (+8.3%), and motor vehicles and other transport equipment (+1.9%).
  Source: Statistics Canada

Apartment Vacancies

- **Rental market conditions in the province are easing, with the vacancy rate for apartments rising to 3.1% this year, up from 2.6% in 2001.** The rate was highest for three or more bedroom places (5.4%) and lowest for bachelor suites (2.4%). Vancouver (1.4%) had the lowest vacancy rate among the urban centres, followed by Victoria (1.5%). Kitimat (41.0%) and Terrace

Report **The BC Labour Market by Cities and Regions**

(40.5%) had the highest vacancy rates in the province. The average monthly rent of a one-bedroom apartment in BC rose 2.1% to $679. Vancouver ($743) and Victoria ($605) were the most expensive places to live, while Quesnel ($315) was the cheapest. *Source: CMHC*

Research and Development

- **Total gross domestic expenditures on research and development in British Columbia grew 16.9% in 2000 to $1,500 million.** Prince Edward Island, where research and development spending rose to $36 million (+33.3%), was the only province where spending increased more. The national total ($19,585 million) was up 12.1%. *Source: SC, Catalogue 88-001-XIB vol. 26, no. 7*

- **Research and development in the higher education sector in BC grew 13.4% in 2000-01 to $496.2 million compared to 1999-00.** The total national spending in this sector was $5,738.0 million, an increase of 12.9%. Spending was up in most provinces in 2000-01 with the exception of Nova Scotia, which stayed constant at $199.6 million, and New Brunswick which fell 1.1% to $88.0 million. *Source: SC,Catalogue 88-001-XIB vol. 26, no. 6*

Education

- **Students from urban schools in Canada performed significantly better on reading tests than students from rural schools in 2000.** Students in urban schools scored an average of 538 (scores are standardized with an OECD mean of 500), while rural school students scored an average of 523. There was no statistically significant difference between the reading ability of students in urban (539) and rural (530) schools in British Columbia. Urban school students in Alberta, New Brunswick, Newfoundland and Labrador, and Prince Edward Island all fared better than their rural school counterparts. Community characteristics that were most strongly related to the rural-urban reading difference were the educational attainment and nature of jobs held by the students' parents. *Source: Statistics Canada*

The Nation

- **Canada's economy advanced 0.8% (seasonally adjusted) in the third quarter of 2002, after increasing 1.1% in the second quarter.** The slower growth was largely due to softer domestic demand for goods and services. Final domestic demand rose 0.5%, less than half the 1.1% gain posted in the second quarter. Consumer spending stalled (+0.1%) after three quarters of strong gains. Expenditure on durable goods fell 1.2%.

  Business investment in fixed capital remained relatively robust (+1.5%). Investment in residential structures (+3.8%) helped sustain economic growth, as the demand for new homes was renewed after lower activity in the second quarter. Housing construction grew rapidly (+7.2%) and spending on renovations also accelerated (+1.6%). Spending on machinery and equipment grew 1.2%, about one-third the rate of the second quarter. Exports posted their strongest gain (+2.3%) in ten quarters. Machinery and equipment exports recovered (+2.1%), and lumber exports rebounded (+5.6%) from the second quarter.

  Corporate profit growth slowed to 3.0%, but profits reached their highest level since the first quarter of 2001. Personal income rose 0.9%, the fifth straight quarterly increase. The seasonally adjusted current account surplus expanded to $5.1 billion as the goods surplus reached $14.0 billion. *Source: Statistics Canada*

- **In the second quarter, overnight travel to Canada from foreign countries continued a downward trend that has been apparent since September 2001.** Canadians took 3.2 million trips to the United States, down 9.5% from the second quarter of 2001, the seventh consecutive decrease. Canadians' visits to France (+18.7%) and the United Kingdom (+17.3%) increased while less travel to Germany (-24.5%), Italy (-24.5%) and Spain (-16.6%) helped lead to an overall drop of 3.2% in overseas travel. Despite this decrease, Canadians spent more than $1.7 billion on their overseas trips, up 1.5%. *Source: Statistics Canada*

Contact: Accountability Branch, Min. of Advanced Education, (250) 952-6776
Originally published in *Labour Force Statistics*, October 2002. Annual Subscription $30 + GST.

The B.C Labour Market by Cities and Regions

Introduction . . . Data from the monthly labour force survey is available by a variety of geographic levels within each province such as large cities (census metropolitan areas or CMAs), selected medium-sized cities and regions.

B.C. has two CMAs, Vancouver and Victoria, which includes the greater Vancouver and greater Victoria areas. There are six medium-sized cities in B.C. for which labour force data is available: Chilliwack, Kelowna, Kamloops, Matsqui/Mission City, Nanaimo and Prince George. Because of the small size of these cities, monthly data is considered "unpublished" by Stats Canada but is still available and annual data for these cities is published.

Economic Regions and Employment Insurance (EI) Regions are generally composed of several census divisions within a province. B.C. has eight economic regions: Vancouver Island and Coast, Lower Mainland-Southwest, Thompson-Okanagan, Kootenay, Cariboo, North Coast, Nechako and Northeast. The regions of North Coast and Nechako are combined for labour force reporting.

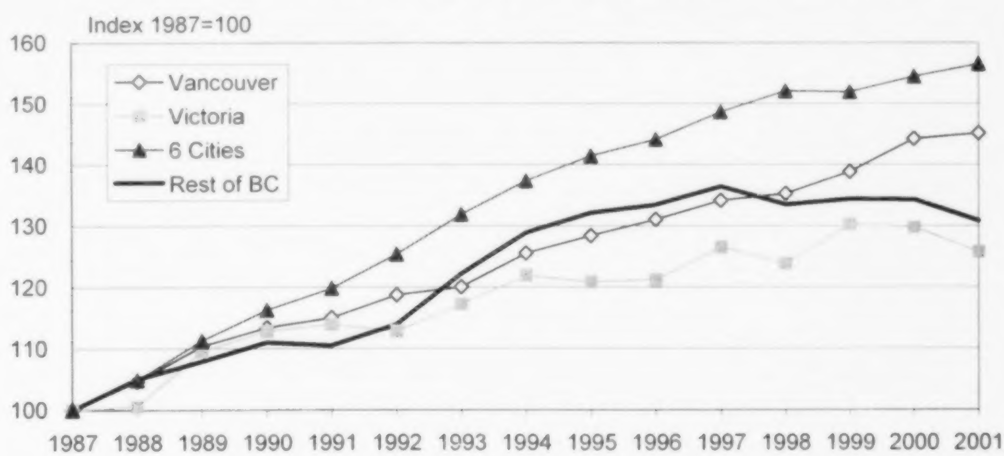
There are also six EI Regions used for determining benefits and eligibility for Employment Insurance claimants. The Economic Regions and the city data provides a finer level of detail than the EI Regions.

Employment by CMAs and Selected Cities. . . Figure 1 depicts employment gains from 1987 to 2001 (indexed to 1987=100) for the Vancouver and Victoria CMAs, the six mid-sized cities combined and the remainder of B.C.

Employment grew fastest over this period in the six-cities group, which had combined gains of 56.5 per cent since 1987. This compared to 45.1 per cent growth in Vancouver CMA and 41.3 per cent for B.C. overall.

Victoria CMA grew 25.4 per cent, much lower than the 30.8 per cent for the "rest of B.C." group in Figure 1. While Victoria CMA employment kept pace with Vancouver CMA to 1991, employment growth in Victoria slowed during the 1990s resulting in just 10.1 per cent employment growth over the last 10 years.

Figure 1: Employment by Census Metropolitan Area and Selected Cities in B.C.



It should be noted that the six-cities group is a heterogeneous group, and not every city in the group grew faster than Victoria CMA. The differences are detailed in the next section.

Employment in the rural "Rest of B.C." grew rapidly for the first half of the 1990s but dropped by 4.1 per cent from 1997 to 2001 with total growth over the period of 30.8 per cent.

Employment in Selected Cities . . . A closer look at employment in the six medium-sized cities in B.C. shows considerable differences between them in rates of growth over the fourteen-year period from 1987 to 2001 (Figure 2). The City of Kelowna saw the highest growth with 96.2 per cent employment gains compared to 41.3 per cent for B.C. overall.

The three cities of Chilliwack, Matsqui/Mission City, and Nanaimo, generally kept pace with each other over this period. Employment grew 72.6, 70.0 and 55.5 per cent respectively from 1987 to 2001. Nanaimo employment dropped in 2001 resulting in a lower growth rate for the period.

The central interior cities of Kamloops and Prince George did not experience as much growth. Kamloops grew relatively slowly over most of this time period, and then experienced job loss in 2001. This resulted in 26.6 per cent employment growth for the period, well below the B.C. average.

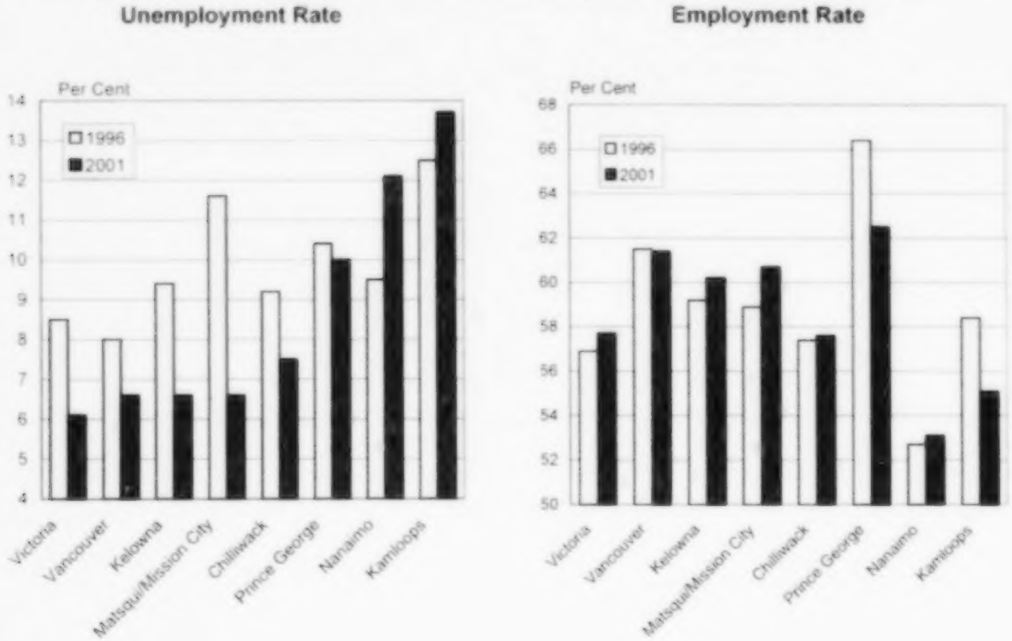
Prince George had almost no employment growth from 1987 to 1993, experienced some growth from 1993 to 1997, and then saw employment decline from 1997 to 2001. Overall, employment in Prince George grew 13.8 per cent from 1987 to 1991, the lowest of the six cities.

Unemployment Rates by City . . . Figure 3 (left chart) shows the unemployment rate in the two CMAs and six medium-sized cities in 2001 compared to 1996. Unemployment rates have come down in most cities in B.C. in the past five years. The exceptions the City of Kamloops, where unemployment rates rose from a low in 1998, and Nanaimo, where unemployment rates jumped from 6.2 per cent in 1999 to 12.1 per cent in 2001.

The three cities with the highest unemployment rates (over 10 per cent) are situated in the B.C. interior and central Vancouver Island and have employment in the primary products industries of forestry, fishing and mining.

Figure 2: Employment in Selected Cities in B.C.

Figure 3: B.C Unemployment Rates and Employment Rates by Selected Cities



Employment Rates by City . . . The right-hand chart in Figure 3 shows a comparison of employment rates (employment to population ratio) in 1996 and 2001 for B.C. cities. Employment rates increased in all cities except Vancouver CMA, Kamloops and Prince George over these five years. While Prince George still enjoys the highest employment rate, its rate dropped almost four percentage points in the last five years. Kamloops lost three percentage points over this period. Nanaimo had the lowest employment rate in B.C. with 53.1 per cent in 2001.

Regional Employment . . . Figure 4 shows how employment grew in selected cities compared to the larger economic development regions in which they reside.

In the Vancouver Island and Coast Region, employment gains were primarily centred in the largest cities on Vancouver Island. Rural areas sustained substantial employment losses.

The Lower Mainland-Southwest Region had the highest regional growth in B.C. Within this region Chilliwack and Matsqui/Mission City had the highest employment growth.

The Thompson-Okanagan Region showed perhaps the most variation of any region. Kelowna dominated with 13.7 per cent growth, the highest employment gains of any city or region in the past five years. Kamloops on the other hand saw little increase.

The Cariboo Region sustained job loss over the five-year period, as did the North Coast & Nechako. In contrast Northeast BC gained jobs.

Figure 4 Employment by Region and City

	% Change 1996-2001
British Columbia	**6.7%**
Vancouver Island and Coast	***-1.5%***
Victoria CMA	3.8%
Nanaimo	8.9%
Rest of Vancouver Island/Coast	-9.4%
Lower Mainland - Southwest	***10.7%***
Vancouver CMA	10.8%
Chilliwack	12.2%
Matsqui/Mission City	13.1%
Rest of Lower Mainland - Southwest	0.9%
Thompson - Okanagan	***6.3%***
Kamloops	0.3%
Kelowna	13.7%
Rest of Thompson-Okanagan	3.8%
Kootenay	***9.4%***
Cariboo	***-4.4%***
Prince George	-2.0%
Rest of Cariboo	-6.3%
North Coast & Nechako	***-8.7%***
Northeast	***2.5%***

BC Stats, Box 9410 Stn Prov Govt, Victoria, BC V8W 9V1
Tel: (250) 387-0327 Fax: (250) 387-0329 Web: www.bcstats.gov.bc.ca E-mail: bcstats.infoline@gems6.gov.bc.ca

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BC at a glance . . .

POPULATION (thousands)	Jul 1/02	% change on one year ago
BC	4,141.3	1.0
Canada	31,414.0	1.0
GDP and INCOME		% change on
(BC - at market prices)	2001 Revised	one year ago
Gross Domestic Product (GDP) *($ millions)*	130,859	1.2
GDP *($ 1997 millions)*	123,912	-0.2
GDP *($ 1997 per Capita)*	30,252	-1.1
Personal Disposable Income *($ 1997 per Capita)*	19,513	1.2
TRADE ($ millions)		
Manufacturing Shipments (seas. adj.) Sep	2,843	4.0
Merchandise Exports (raw) Sep	2,389	10.0
Retail Sales (seasonally adjusted) Sep	3,332	5.5
CONSUMER PRICE INDEX		% change on
(all items - 1992=100)	Oct '02	one year ago
BC	118.7	2.5
Canada	120.5	3.2
LABOUR FORCE (thousands)		% change on
(seasonally adjusted)	Oct '02	one year ago
Labour Force - BC	2,180	4.1
Employed - BC	2,000	4.2
Unemployed - BC	181	2.3
		Oct '01
Unemployment Rate - BC *(percent)*	8.3	8.4
Unemployment Rate - Canada *(percent)*	7.6	7.4
INTEREST RATES (percent)	Nov 27/02	Nov 28/01
Prime Business Rate	4.50	4.50
Conventional Mortgages - 1 year	4.90	4.60
- 5 year	6.70	6.85
US/CANADA EXCHANGE RATE	Nov 27/02	Nov 28/01
(avg. noon spot rate) Cdn $	1.5747	1.5847
US $ *(reciprocal of the closing rate)*	0.6358	0.6311
AVERAGE WEEKLY WAGE RATE		% change on
(industrial aggregate - dollars)	Oct '02	one year ago
BC	671.53	4.3
Canada	651.07	2.2

SOURCES:

Population, Gross Domestic Product, Trade, Prices, Labour Force, Wage Rate } Statistics Canada

Interest Rates, Exchange Rates: Bank of Canada Weekly Financial Statistics

For latest Weekly Financial Statistics see www.bankofcanada.ca

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